

CITY OF SAN ANTONIO



Administrative Directive

AD 8.3 Accounts Payable

Procedural Guidelines

Guidelines to ensure consistent and accurate payment of City suppliers and vendors

Department/Division

Finance, Accounting Division

Effective Date

January 31, 2011

Project Manager

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Purpose

This administrative directive establishes citywide guidelines and uniform procedures and related internal controls for management of accounts payable of the City of San Antonio.

Policy

The City of San Antonio (City) promotes effective controls to ensure the protection of City assets, accurate financial reporting and efficient use of City resources. The primary objective of this directive is to ensure that liabilities and expenditures/expenses are recorded timely and accurately for the payment of invoices for all vendor accounts. Additionally, this directive will promote fiscal responsibility and build positive relationships with City vendors by ensuring access to their funds when payment is due.

Policy Applies To

This Administrative Directive applies to all employees who are responsible for performing fiscal operations described herein. This may include, but is not limited to, staff that initiate, process and manage Accounts Payable transactions for the City; lead departmental fiscal staff; management of the Finance department; and other departmental staff deemed necessary by the lead fiscal staff.

Definitions

Account Group

A vendor account is defined further in the SAP system as belonging to a group with other like vendors. All vendor accounts belong to one of the following groups: Trade Vendors, Employee Vendors, Payroll Vendors.

Accounts Payable Section (AP)

The Accounts Payable Section of the Finance Department is responsible for outgoing payments for vendors, employee reimbursements, and other financial payment transactions.

Automatic Clearing House (ACH)	A secure payment transfer system which acts as the central clearing facility for all electronic fund transfer (EFT) transactions. It enables electronic transfer of City funds directly to an approved vendor's bank account.
Baseline Date	A SAP date field which is used as the first day in determining the due date a vendor invoice is payable. The field defaults to the invoice date but may be manually entered by Accounts Payable during the invoice entry process to correctly set the first day from which payment terms should calculate.
Discounts	Cash discounts offered by vendors for early payment of invoices prior to the standard 30 day payment terms. Also refers to cash discounts given by vendors for rebates or other reductions in the price that has no performance criteria established for it.
Due Date	The date for payment designated by the contract or stated on the invoice. If no terms are stated, due date is considered to be thirty (30) days from the later date of the actual receipt of goods or the receipt of a correct and valid invoice.
Good Receipt (GR)	A document created in the SAP system by the receiving department to acknowledge the physical receipt of the goods and/or services as specified in the Purchase Order. Entry of the GR posts the cost and liability associated with the goods purchase to the general ledger.
GR/IR Clearing	A process in the SAP system which based on the Purchase Order, compares goods receipt quantities against the invoice receipt quantities and 'clears' the items. A goods receipt quantity in surplus of an invoice receipt quantity indicates a vendor liability not recorded, an invoice receipt quantity surplus indicates an expense not recorded to the general ledger.
Invoice Receipt (IR)	Document created in SAP and posted to the vendor's account which represents the amount due (liability) to the vendor. It is entered by the AP section and includes all invoice information. Entry of the IR reduces the GR Liability and cash associated with the payment of the Invoice.
Non-Purchase Order (Non-PO)	Payment only documents created by and approved at the department level, using the SAP system, to initiate payment to vendors for items not required to be on a formal Purchase Order.
Open Vendor Payable items (open items)	Invoices entered into the SAP system and recognized as a vendor liability, that are pending payment based on the due date, or may require further processing to resolve an issue.
Payment Run	A SAP system transaction that batches open items for payment within certain parameters based on payment method, payment due date, account type, and bank account.
Payment Terms or Terms of Payment	<p>The agreed upon amount of time, usually expressed in days, allowed for payment of a goods or service. May be negotiated between vendor and buyer as part of a contract, otherwise the default terms are Net 30.</p> <ul style="list-style-type: none"> ▪ <u>Example:</u> payment terms 2/10 net 30, or (2 percent, 10 days, net 30) means if the customer pays the bill within 10 days of invoice date (or receipt of goods date), then the City can deduct 2 percent of the value of the bill. Otherwise the City has 30 days from invoice date or receipt date to pay the full value of the bill.

Positive Pay	An internal control to prevent fraudulent activity. A SAP file is created and electronically transmitted to the City's depository institution at the end of each business day. The file includes all check numbers and amounts issued and voided during that day's activity and are considered the authorization for honoring payment of the items listed and notice of items to be dishonored.
Purchase Order (PO)	Purchasing document issued prior to ordering of goods and services in accordance with the Procurement AD 1.6. PO's are created using the SAP system and approvals of the expenditures and creation of the PO are controlled by the issuing department and/or the Administrative Services Department.
Remit Address	An alternative address the vendor has supplied and requested payments to be forward to, other than the main location address. Usually this is a PO Box address or a centralized accounts receivable address for the vendor.
SAP Vendor Maintenance	Designated individual or team which is responsible for setup of new vendor accounts, updates to existing vendors and responsible for the validity and security of the vendor database.
SAP System	The Enterprise software system used by the City of San Antonio for the processing of all financial transactions and is the financial system of record.
Vendor	Any supplier, contractor, consultant or any individual supplying goods or services to the City
Policy Guidelines	
<u>Compliance with Standards</u>	The City will comply with all local, state and federal statutes, laws and regulations that are applicable to recording of liabilities and processing of vendor payments such as the Prompt Payment Act, the Governmental Accounting Standards Board (GASB), Texas Local Government Code, and the City's charter.
<u>Approvals</u>	Approvals are accomplished within the SAP workflow tracking system throughout the various steps of the procurement process from the initiation of a purchase requisition, issuance of a purchase order, and entry of the goods receipt through the resulting payment of an invoice for the goods and/or service received.
<u>Management of Vendor Accounts</u>	<p>In SAP, a single master vendor record will be centrally established and maintained for each vendor. No payment can be made without a valid vendor record established. To create a new vendor record, a completed Vendor Master Creation form [Attachment A] and the required W-9 form is obtained and submitted for review and master data entry. The Vendor Master Change request form [Attachment B] is used to submit vendor record updates. Both requests for new vendors to be established and vendor updates are submitted by all City departments directly to SAP Vendor Maintenance.</p> <ol style="list-style-type: none"> 1. The City maintains one (1) master vendor record for each legal entity based on the vendor's Employee Identification Number (EIN) as recorded on the W-9 form and as filed with the IRS.

**Management of
Vendor Accounts (Cont'd)**

2. Change of address, additional remits, modifications of names, etc. must be documented in a manner to prove authority and legitimacy of changes prior to acceptance and any change made in the record.
3. Change in name, change in address, change in tax recipient code types may require completion of a new W-9 from the vendor as further supporting documentation.
4. Change of ownership or change of EIN will require creation of a new vendor record.
5. All Vendor names and dba names in the system are matched to and verified against the IRS "TIN Matching" system to confirm information and maintain our master data in a naming standard consistent to the IRS standards for reporting purposes.

Cash Management

1. By ordinance, The Finance Department is given authority to establish bank accounts as necessary and maintain signatory approvals for all disbursements to conduct City transactions.
2. The Finance Department holds responsibility to evaluate and approve or reject any offered early payment discount terms if terms are not monetarily beneficial to the City. All terms must allow a minimum of ten (10) calendar days for payment.
3. The Finance Department holds responsibility for the City's cash flow. Payments will not be made in fewer days than the vendor's stated payment terms or than the terms stated in a formal contract or other written agreement. Payments outside of the stated payment terms must be approved by the Chief Financial Officer (CFO) or designee.
4. If a vendors' stated payment terms for his business is other than Net 30, a formal written request should be submitted to the Finance Department to request payment within the given stated terms for the business, otherwise Net 30 will prevail. The Accounts Payable Manager is authorized to approve payment term changes on the vendor's master data file.
5. Department employees should not change or modify the vendor payment terms when creating Purchase Orders. The payment terms should derive from the Contract or SAP Vendor master data to the Purchase Order. Exceptions should be documented and have approval of the Finance Department prior to final agreement with any vendor.

Vendor Payment Processing

Vendor invoices are reviewed and are processed in compliance with generally accepted accounting principles (GAAP), City and Finance Department process and procedures, SAP procedures, applicable laws, and other accepted best practices to ensure prompt and accurate payments. All payments are processed under these principles:

1. All payments are remitted in United States Dollars only.
2. Original invoices for goods and services, including those submitted electronically as a normal business practice, shall be sent directly by the vendor to the Accounts Payable section and are required as backup for all transactions. Certain exceptions exist under special agreements and must be approved by the CFO or designee.
 - a) The payment amount due on invoices may not be manually altered by City personnel. Disputed invoices or items should be reconciled with the vendor and a corrected invoice or a credit memorandum for the disputed amount or item should be issued by the vendor. Exceptions to allow a short pay (underpayment) of an invoice may be made by the Finance Department for small amounts for taxes and shipping that the City is not liable to pay. It is expected corrective action will be taken with the vendor to ensure future invoices are correctly billed. Manual corrections for pricing or quantity discrepancies are not allowed and require a corrected invoice or credit memorandum.
 - b) Departmental requests for payment to Delegate Agencies should have accurate documents attached that properly support the request for payment. Documentation should include:
 - An Agency invoice showing name and address, the amount being requested, dates, program name, signatures, etc.
 - Summary of itemized reimbursable expenses – totaled to same amount on Agency invoice sheet.
 - Departmental approval sheet showing date received, processing items (PO, GR)
 - Sales agreements, contracts, or, City ordinance as applicable.
 - Advance payments may require additional documentation including the authorization for the advance payment (ordinance or contract), Department Head approval, and a formal written request from the Delegate Agency including the methodology of calculating the advance amount.
 - Other documents, including individual receipts for amounts submitted for reimbursement, should be retained at the department.
 - c) Departmental requests for payment to vendors for capital projects, i.e. construction pay estimates, may be maintained in the official web portal designed to track capital projects, calculate payments due and maintain approvals.
 - Upon completion of all approvals, the Estimate Certification Form and the approval audit log is printed, reviewed and forwarded to accounts payable for payment processing.
 - Those payments not recorded in the portal require a manual Pay Estimate form with appropriate signatures (Department Director or designee).

Vendor Payment
Processing (Cont'd)

- Written notice of designee, or other approved signatures, should be directed to the Finance Department and is the responsibility of the department to update as needed for personnel or process change.
 - Vendor names on all portal files and all manual pay estimates must match the vendor name in the master data to which it will be paid.
 - Additional forms, signatures or affidavits may be required for all final payments and/or retainage release.
 - Manual changes for correcting minor mathematical calculations are allowed on both portal documents and the manual pay estimate form provided they are clearly notated and initialed by the person making the corrections.
- d) Certain expenditures require approval by ordinance as directed by the City Council. A copy of the approved ordinance may be requested as part of the backup documentation.
- e) Exceptions include:
- Utility invoices (i.e. water, phone service, electric, cable) should be sent directly to the department due to the detailed review and inter departmental billing process involved.
 - Delegate Agency billing for organizations seeking funds from the City are submitted to the appropriate department for review purposes.
 - Small dollar transactions for which the department will use a P-card or create a non-PO document as payment.
 - City Council expenses are submitted to the City Council office.
 - Other expenditures which require departmental review with prior approval of the Finance Department.
3. Discount terms will be calculated based on the later of 1) date of receipt of goods or 2) receipt by the City of a correct and valid original invoice. The SAP system uses the baseline date field, as completed during invoice entry by Accounts Payable, plus the payment terms to determine discounts and payment due dates.
4. The City policy is to pay for goods and services after completion of the service or receipt of the goods. Any payment request submitted which is for a payment in advance of actual receipt of goods or services may require special handling or coding within the SAP system and may be referred to the Controller in the Finance Department for direction regarding posting.
5. The City policy is to pay for goods and services in accordance with the **Prompt Payment Act (Ch. 2251 Government Code)** and the paying of interest on past due amounts which states vendor payments will be due and payable to the vendor within thirty days (31) from the receipt of goods or receipt of a correct and valid vendor invoice, whichever is later. Most payments for Goods, materials, or services consumed by the City to perform its key functions are subject to the Prompt Payment Act. Other payments, such as amounts to delegate agencies and other governmental agencies may be exempt from interest penalties under this code. **{See Attachment C for examples}**

Vendor Payment
Processing (Cont'd)

- a) Exceptions to the Act include when the terms of a federal contract, grant, regulation or statute prevent the City from making a timely payment with federal funds or when there is a bona fide dispute about the goods delivered or service performed.
 - b) Earlier payment may be made when the City is able to take advantage of vendor discounts.
 - c) A payment begins to accrue interest based on a formula defined by the Act based on the rate in effect on September 1 of the fiscal year in which the payment becomes overdue. The Finance Department is responsible to calculate and publish the effective interest rate each fiscal year.
 - d) The City must exercise due diligence regarding timely payments. The cost of late payment interest or other finance charges assessed by a vendor is always the responsibility of the department and may require the department to expense these payments from operating funds.
6. The frequency and timing of the execution of the payment run is determined by the Finance Department based on account type, method of payment and demand. The Trade vendor account type is run most frequently to achieve payment by due date and to capture all discounts offered. Payment runs for other account types including Employee/TRIP reimbursements, Accounts Receivable/Customer refunds and Payroll Third Party remit payments are performed no less than one (1) time per week on a scheduled day to facilitate workload. Other banking transactions are performed as requested. **{Attachment D - Payment Schedule}**
 7. Rush requests, those payments required within less than 3 working days, will be evaluated on a case by case basis and may require a written explanation of the need for the payment, exact information regarding date and timing being requested and appropriate departmental approvals. Rush payments generally require a minimum of one (1) working day, after all valid documentation being in the SAP system and/or received by the Accounts Payable section of Finance by Noon to have a check available the next working day. Requests should be directed to the Accounts Payable Manager and/or the Disbursements and Receivables Administrator of the Finance Department for consideration.
 8. The SAP system combines all vendor payments due and payable to one payment document as of the date of payment. This ensures system and department efficiencies in preparing, matching and distribution of checks. Requests for separate payment documents for the same vendor will be reviewed by the appropriate manager of the Finance Department on a case by case basis and may require written document(s) and explanation(s) to substantiate the additional workload this type of request creates.

<p><u>Methods of Payment</u></p>	<p>The current primary payment method for the City of San Antonio is by check. Any requests for electronic payment (EFT) must be approved by the Finance Department prior to any verbal commitment to the vendor or inclusion in any written contract or agreement.</p>
<p>Check Payments</p>	<ol style="list-style-type: none"> All check payments will be mailed. Special arrangements for payment pickup at the Accounts Payable counter of the Finance Department, other than those listed below, must be submitted to and approved by the CFO or designee. <ol style="list-style-type: none"> Departmental Exceptions: Pre-payments where a check is required to accompany vendor documents i.e. conference registrations, other travel expenses, postage, subscriptions, deposits or down payments as required by a contract or other legal agreement. Vendor exceptions: Vendor must submit a written notice to the Finance Department to request pickup of check at the Accounts Payable offices. Requests will be reviewed and approved by appropriate Finance management. The basis for waiver must include a specific and verifiable reason for the exception to policy. Vendors with issues with postal delivery may be required to accept ACH payments in lieu of picking up payments. <ul style="list-style-type: none"> One time exceptions to allow vendor pickup in response to urgent vendor payment issues may be directed to and approved by the Accounts Payable Manager. Vendors are required to show proof of identity when picking up a check including a current driver's license and may be required to show proof of employment or affiliation with the vendor. The Accounts Payable section will maintain a list of authorized employees from each department to pickup employee travel checks and other approved vendor checks. Employees are required to display their City issued badge and sign for checks at the time they are transferred. The department is responsible to submit an authorized employee listing and to update the list whenever personnel change. Due to fraud prevention controls such as positive pay, check payments will not be valid and negotiable for payment on the day of issuance; therefore checks will not be released to departments or vendors until the next working day after issuance. Any exceptions require the approval of the CFO or designee. Checks over \$25,000 require further review and manual signatures, and may require additional time before they are valid and ready for distribution.
<p>EFT Payments</p>	<ol style="list-style-type: none"> Electronic Funds Transfer (EFT) includes both ACH payments and Wire Transfer payments. Eligibility for all EFT Payment requests is determined by the Accounts Payable Manager based on criteria set by the Finance Department. Eligibility may be set at the vendor level for all payments or may require separate approval for each payment. To promote security of vendor banking information, it is required that all vendors (and certain eligible customers) communicate directly with the Accounts Payable section to complete an EFT transfer agreement.

	<ol style="list-style-type: none"> The Accounts Payable section is responsible to request the vendor master data updates with SAP Vendor Maintenance and to maintain all bank and account information in a secure location and manner. <ul style="list-style-type: none"> Exception: Retiree benefit payments to the City and all current employee direct deposit account records are maintained by Human Resources.
EFT Payments — ACH	<ol style="list-style-type: none"> The frequency and timing of the execution of the ACH payment run is determined by the Finance Department based on account type and demand. The Vendor account type is run most frequently to achieve payment by due date and to capture all discounts offered. Payment runs for other account types including Accounts Receivable/Customer refunds, Payroll Third Party remit payments, and employee/travel reimbursements are performed no less than one (1) time per week on a scheduled day to facilitate workload. Other banking transactions are performed as requested. Eligibility of vendors is based on an evaluation of historical activity that includes but is not limited to more than four payments per year for a total annual amount that exceeds \$250,000. Finance is responsible to review and may modify the criteria periodically. Vendors not meeting the criteria above may be approved for ACH payments by Finance for business purposes, including but not limited to legal requirements mandated by local, state, or federal agency or governmental entities. Vendors approved and updated to ACH payments are no longer eligible or able to receive payment by check. Only one payment method will be maintained. Also, the Accounts Payable Section reserves the right to return a vendor to check payments if significant or repetitive issues occur with ACH. Special requests for ACH payments outside the scheduled payment proposal are at the discretion of the Finance Department and will require a minimum of three (3) working day notification (from receipt of invoices and all needed documents) for approval and processing. Other Account groups may be added at the discretion of the Finance Department.
EFT Payments — Wire Transfer	<ol style="list-style-type: none"> Wires are a separate form of electronic payment and are manually processed with the City's depository bank for each transaction required. Due to their processing impact on productivity and efficiency, wires are limited to payments made to State and Federal entities as required by law, financial transfers as required by contract or best practice, and other special high-dollar transactions such as real estate acquisitions and lease/purchase payments are processed on an as needed basis. Departmental or vendor requests for wire payments are approved at the discretion of the Accounts Payable Manager and require a minimum of three (3) working days notification for approval and processing. Payment may be transferred to the ACH process if deemed appropriate.

Purchasing Card (P-Card)	The City participates in a Purchasing Card program under the direction of the Purchasing and General Services Department. Use of the P-card for small dollar, non-contract items is encouraged when processed under the guidelines of this program.
Petty Cash Disbursement	Procedures for payment of small dollar vendor invoices and other reimbursements are specified in the Petty Cash Administrative Directive 8.5. All vendor documents paid by this process should be processed and maintained as per the guidelines established.
Document processing and documentation requirements	<ol style="list-style-type: none"> 1. PO Purchases: The City's Purchasing Administrative Directive 1.6 is the authority for ordering of all goods and services. The Purchasing AD addresses specific requirements for bids, contracts, Purchase Requisitions, creation of Purchase Orders and the process for Good Receipts. This Administrative Directive works in conjunction with the Purchasing Administrative Directive. <ol style="list-style-type: none"> a) A properly executed Purchase Order, along with the required goods receipt from the department, and the vendor's invoice are the minimum documentation and approval needed for vendor payment. b) Documentation submission must be in accordance with the guidelines set out in this Accounts Payable AD c) The Accounts Payable section of the Finance Department is responsible for all record retention requirements for vendor payments against a Purchase Order. 2. Non-PO Purchases: Certain expenditures incurred do not require a Purchase Order. They are generally employee travel related expenses, small dollar one-time expenses under the bid requirements, or other small miscellaneous expenses. Within certain restrictions, the Department has the ability to enter and approve these vendor payments in the SAP system. <ol style="list-style-type: none"> a) Accounts Payable Manager, or designee, reviews all non-PO documents for correct entry and approval and then posts the document to the vendor record as a payable item. If the item is incomplete, incorrect, or not an expense authorized for payment by the non-PO process, the item can be rejected back to the creator. b) Non-PO documentation should be as stated in this Administrative Directive and is the responsibility of the initiating department to maintain the documents in accordance with the City's record retention policy. c) The non-PO process can be utilized by the Accounts Payable section to enter certain special payments as required such as the establishment of Petty Cash funds, payments from liability accounts, trade in allowances on fixed assets and other approved non-PO related transactions. A properly completed and approved Request for Payment (RFP) form [Attachment E], along with sufficient documentation, is required and is the authorization for Accounts Payable personnel to make the entry. AP is responsible for record retention for these documents.

**Document processing and
documentation requirements
(Cont'd)**

- d) A list of allowed non-PO payments is maintained by the Accounts Payable Manager and is periodically reviewed and updated to ensure compliance to the Purchasing Directive and the general accounting guidelines as described in this AD. **[Attachment F]**
 - e) The Accounts Payable Manager is responsible to update the SAP non-PO approver tables. Departments should assign an approver for each cost center and submit changes or additions to the existing tables in a timely manner by directing a memo with cost center and approver information to the CFO. **{Attachment G}**
3. Pay Estimate / Retainage: The department is responsible for timely submission of retainage release documentation as required to execute a vendor payment within the guidelines and exceptions listed in this AD. The RFP form may be utilized to list each SAP document to be released, along with the department head approval, and supported by the vendor's affidavit of completion and the project manager's acknowledgement and approval the work is complete and accepted. A request for a partial release of retainage monies should clearly designate the specific SAP vendor open items the partial payment is to be made from and be properly supported with documentation. The department is responsible for maintaining all other associated backup and contract information as needed for contract compliance reviews and record retention requirements.
4. Employee Travel: Employee travel payments are processed based on the documents created and approved in the TRIP transaction. Weekly system processes are performed to capture these payment documents and post the documents to the employee's vendor account, pending payment. Employee payments are then executed weekly as required and in compliance with the Travel Administrative Directive 8.31. The departmental travel coordinator and travel approvers are responsible to ensure all travel documents are maintained as per the City's record retention policy.
5. Grant programs / Child Care Development Services (CCDS) specific: Outside Agency submission to the City seeking reimbursement for program expenses can be extensive. Where there is not a true vendor invoice, documentation submitted must be sufficient to fully explain the amounts requested. A program summary sheet with appropriate agency and City department signatures and a detail list of expenses may be considered sufficient for payment. Actual receipts for each of the items on the detail list may be retained at the department.
- a) If specifically stated in the grant contract that original receipts must be retained for audit purposes, Finance may authorize the department to retain the original receipts in the departmental files. In these circumstances, the responsible department may be directed by the Finance Department to retain the original receipts and send a department-stamped and certified copy in its place.
 - b) CCDS payment documentation is maintained in the State of Texas system and at the CCDS office. Since these payments are processed as non-PO payments, document retention is the responsibility of the department.

<p>Document processing and documentation requirements (Cont'd)</p>	<p>6. <u>Other Document processing methods:</u> It is recognized that at times it is necessary and allowable to utilize alternate SAP transactions and processes which result in a vendor payment. Manual corrections, vendor-level journal entries, payments from funds held in trust, payments on behalf of promoters from revenue funds (per contract) occur. It is required that the department and/or employee generating such documents will comply with all documentation requirements pertaining to any process specifically listed in this AD. This includes:</p> <ul style="list-style-type: none"> a) A written and detailed process, approved by the Finance Department, to include process narrative, approvals, internal controls, and requirements for documentation including record retention; and b) No vendor payment process should be developed or approved without express knowledge and agreement of the Accounts Payable Manager or the Disbursements & Receivable Administrator due to IRS reporting requirements.
<p>Records Maintenance and Retention</p>	<p>The documents and records in any format (i.e. paper, electronic) providing proof of any account payable or tax records and any related IRS reporting documentation, shall be retained and disposed of according to the City's record retention requirements found in Administrative Directive 1.34 and the Local Government Records Retention Schedules. The office of the City Clerk can provide additional direction and information on records retention requirements.</p> <p>Departments are advised to file their accounts payable documents in a manner that facilitates both compliance with AD 1.34 and retrieval when documents are needed by City staff or external auditors.</p> <ul style="list-style-type: none"> 1. Most accounts payable records, documents, ledgers and journals have a three year plus the current fiscal year retention requirement. Records should be maintained by fiscal year, and then by vendor number. <ul style="list-style-type: none"> ▪ Alternate method: File by fiscal year, and then by program or event. 2. Files should be maintained in a secure manner, in 1 or 2 central filing areas per department. 3. Each department should have a designated person responsible for maintaining the files, compliance to retention policy, and to act as point of contact for retrieval of payment documents when needed. 4. Annual review for transfer to long-term storage and/or the record destruction process should be performed. 5. Documentation for non-PO transactions should include an original invoice, departmental cover sheets or request forms, approval signatures. The document number created during the SAP entry process should be recorded legibly on the invoice. 6. Documentation for Purchase Order related Goods Receipt entries would include bill of lading, packing slips, quotes, sales orders, order confirmations, etc. The document number created during the SAP entry process should be recorded legibly on the document.

Roles & Responsibilities

Employees

Employees must follow the process within this Administrative Directive when engaged in the activities described.

Finance Department — Accounts Payable Section

1. Maintain the accounts payable policies, procedures and guidelines. Establish timelines for receipt of payment documents and timely entry into SAP to ensure prompt payment.
2. Review incoming invoices, statements, and other vendor communication to prioritize daily workload with emphasis on ensuring that discounts are taken when possible.
3. Process accounts payable transactions within established procedures for invoice entry, check documentation requirements, approval requirements, manual requests for payments (RFP), petty cash funds, reversals, voids, credits, and other corrective entries.
4. Generate the payment run batch file to be processed as needed to provide prompt payment to all vendors.
5. Provide customer service to vendors by timely resolution of vendor payment issues by working with vendors and City department personnel as needed.
6. Perform clerical and administrative duties such as all incoming mail distribution, phone calls, counter service, and check mailing and distribution.
7. Process and monitor travel requests through the SAP TRIP module.
8. Provide technical assistance to departments regarding the processing of accounts payable transactions.
9. The Accounts Payable Manager maintains the non-PO workflow approval tables and monitors the submission of non-PO documents to ensure proper utilization and compliance to the purchasing policy.
10. Maintain system validity and fiscal integrity by generating SAP accounts payable transaction reports for analysis (i.e. discounts, invoice ageing, etc) and for identifying open items for resolution (open vendor payables, GR-IR clearing, travel advances). Reports and analysis to be shared to each Department Director or designee for further analysis and corrective actions as appropriate.
11. Submit all IRS compliance files and reports.
12. Shared responsibility for vendor database including setting guidelines and policies to ensure compliance to applicable AP legal requirements and ensure data consistency and accuracy. Also responsible to approve all exceptions to set guidelines that are provided for in this AD.
13. Work with SAP Support teams to review and approve any addition to the SAP system tables utilized in the accounts payable transactions such as: the addition of payment terms, supplemental payment methods, updates to TRIP per diem and mileage rates, and other system updates and changes.
14. Maintain accounts payable documentation in an organized filing system to facilitate providing information necessary for external and internal audits and other financial reporting purposes.

<p><u>Finance Department – Collections Section</u></p>	<ol style="list-style-type: none"> 1. Processes the batch files for all accounts payable payment runs including checks, ACH transactions and wires within SAP and within the City's designated banking software or transfer system (Cash Manager) as needed. 2. Prints all accounts payable checks and other system created documents such as the wire instruction form and ensures security of these instruments while in process. 3. Notifies Information Technology Services Department (ITSD) to run a Positive Pay batch job and submits the file to the City's depository institute on a daily basis or as required for exceptions. 4. Primary responsibility for the storage, security, and issuance of the blank accounts payable check inventory. 5. Utilizes the SAP transactions and required codes to void checks and perform other payment clearing transactions as requested
<p><u>SAP Vendor Maintenance</u></p>	<ol style="list-style-type: none"> 1. Vendor setup and all file maintenance within established policy and procedures to ensure system and data integrity. 2. Proactively search and provide reports for review of vendor data and initiate corrective actions as needed to standardize data entry and perform periodic review to identify inactive account records. 3. Perform system tasks associated with the annual 1099 reporting process.
<p><u>All COSA Departments /Department Directors</u></p>	<ol style="list-style-type: none"> 1. Ensure that all purchasing activities follow City purchasing guidelines and contain the appropriate approvals. <ol style="list-style-type: none"> a) The creation and maintenance of SAP requisitions, contracts, and PO's must be prepared in advance of the ordering of, or receipt of, the requested goods. b) The approved Purchase Order number and/or copy of document are supplied to the vendor. c) Communicate with all vendors the timely billing of invoices for goods sold or services rendered. Proactive steps should be taken at fiscal year end to ensure receipt of and proper recording of all vendor billings, including delegate agencies, within the correct fiscal period. 2. Ensure that expenditures/expenses are eligible and paid from approved funding sources. 3. Ensure that staff is trained in the SAP accounts payable process relevant to the department's transactions. 4. Process Goods Receipts entries into the SAP system immediately upon receipt of the goods. <ol style="list-style-type: none"> a) Require and facilitate timely entry of goods receipts to ensure the City can take advantage of vendor discounts when offered and/or comply with contract payment terms. Monitor departmental compliance with periodic review of the Lost Discount report. b) Ensure all corrective actions requested to complete the accounts payable process are given the appropriate priority so as to achieve payment within the terms of the agreement.

All COSA Departments
/Department Directors
(Cont'd)

- c) Utilize SAP system reports such GR-IR variance reports and other Purchase Order reports to review and initiate correctives action to resolve all GR surplus variances and PO available balances to maintain accurate data and accurate expense recording.
 - d) All prior month transactions should be entered into SAP by the 5th day of the following month in order to close the month and prepare monthly financial statements.
 - e) Ensure proper accounting of transactions including correct entry and use of posting dates to record all transactions into the correct fiscal period.
 - f) Adherence to all requirements and timelines established by the Finance Department to accomplish fiscal year close activities.
5. Forward to Finance all original invoices provided to the department in error or other vendor communications received in departments on a timely basis and communicate to vendors that original invoices should be sent to the AP Section.
 6. Assist Finance Department with resolution of vendor issues as needed or as requested.
 7. Ensure City vendors receive the needed State of Texas Sales Tax Exemption form when purchasing goods and services for the City.
 8. Maintain all back up at the department for non-PO purchases less than \$25,000 within the guidelines established in the City's Record retention directive. Documentation for any non-PO purchase over \$25,000 should be forwarded to the AP section for filing and retention.
 9. Maintain SAP role approvals for assigned personnel.
 10. Maintain segregation of duties as prescribed by process, policy and within good accounting fiscal responsibility.

Internal Controls

Automated system

SAP System shall be used as the City's "System of Record" for all Accounts Payable activities. The SAP Accounts Payable module electronically matches the PO, receiving information and invoice for payment. The module also prevents the entering of duplicate invoices reducing the chance of paying an invoice twice. The module provides a 1099 reporting feature for the processing of the Form 1099 miscellaneous forms for qualifying vendors in compliance with IRS filing requirements.

In the event the City would authorize the use of a specialized system to capture and store unique functionality related to accounts payable disbursements, the following guidelines would apply:

1. Such systems would require prior written approval from the CFO and the Chief Information Officer prior to acquisition.
2. Third party or commercial off the shelf systems are required to utilize the SAP account structures for passing information to SAP
3. The system will interface directly with SAP and provide and access SAP at the transaction level of detail.

	<ol style="list-style-type: none"> 4. All vendor balances, transaction details and master data will reside in SAP. 5. All financial reporting will be generated from SAP.
<u>Payment Controls</u>	<ol style="list-style-type: none"> 1. In accordance with City policy and in compliance with the Prompt Payment Act, vendor payments will be due and payable to the vendor within the applicable payment terms. The City must exercise due diligence regarding payments funded with federal funds and to avoid interest payments. 2. Use of system reports to evaluate on-time payments and interest incurred is reported by the Finance Department. Lost Discount reports are produced routinely to monitor adherence to process and procedures. 3. New payment terms (not currently in system) must be submitted to the Finance Department for evaluation and approval prior to acceptance as a part of any contract, bid, or other agreement. 4. Control of the Sales Tax Exemption forms is assigned as the responsibility of the CFO or designee to ensure proper use of Sales Tax exemption for only City purchases.
<u>Blank Check Control</u>	<p>The security of the blank check stock is an important internal control procedure to avoid potential misuse of City assets. Checks are direct access to City cash and should be safeguarded just as the actual cash. The employees of the City have a fiduciary duty to ensure blank check stock and written checks are properly maintained.</p>
<u>Segregation of Duties</u>	<p>Effort shall be made for the physical and electronic separation of duties and responsibilities between: 1) Ordering goods and services and entering goods receipts 2) approving transactions for goods and services ordered, 3) entering transactions to pay vendors from invoices received in the accounts payable section, 4) printing checks, 5) accounting oversight. Where the separation of responsibility is precluded due to limited available personnel, departments should contact the Finance Department's Compliance and Resolution Section to assist in establishing mitigating controls.</p>
<u>Positive Pay</u>	<p>A positive pay file will be requested by the Collections section that lists all of the checks and amounts that have been generated from the payment run and then submitted to the Depository Bank as the City's approval for the bank to pay these checks. The file will also contain any previously approved checks that have been voided.</p>

<p><u>Reversals/Voids/Stop Payments</u></p>	<p>A check to be voided and/or reversed from the SAP system should be forwarded to the Accounts Payable section with the appropriate Void Check Request form [Attachment H] immediately upon receipt of the payment document. Based on the circumstances and the information provided, the determination will be made as to the reissuance of the check.</p> <ol style="list-style-type: none"> 1. If the City has received the original check, a request to void the payment will be sent to the Collections section to be voided within the SAP system and the check will be stamped "Void". 2. If the City does not have the original check, then a stop payment action will first be requested with the General Ledger Section of the Finance Department with the City's depository bank. Upon confirmation from bank, the check will be voided in the SAP system as above. 3. Once the check is voided, the payment document is again a payable liability. If the check is to be reissued, it will be processed with the next available AP payment run. If the check is not to be reissued, AP will initiate and ensure all necessary SAP entries are accomplished to reverse and nullify the original documents that initiated the vendor payment. Documents should be reversed in the same accounting period as they were issued when possible.
<p><u>Department Review and Reconciliation</u></p>	<p>All accounts payable activity should be recorded in a manner to permit the timely processing of vendor payments. Review and reconciliation of open items should be performed on a monthly basis; however, reconciliation must be completed during the year end process to ensure the accurate reporting of the City's financial activity.</p>
<p><u>Fraud</u></p>	<ol style="list-style-type: none"> 1. An individual who suspects fraudulent activity shall contact their supervisor or someone up the chain of command immediately. 2. Departmental controls shall include a practical means for employees to report instances where system controls are overridden that could be indicative of fraud.
<p><u>Other Guidelines</u></p>	<ol style="list-style-type: none"> 1. Senior fiscal staff shall monitor and assess, on at least an annual basis, any risk areas and adopt appropriate strategies to manage Accounts Payable functions and thereby minimize opportunities for noncompliance of any policies or laws referred to in Section 1 of this directive. 2. If there is suspicion regarding non-compliance with this administrative directive, management shall be informed for further review.

Attachments

Vendor Master Creation Form	Attachment A - Also see COSA WebForms
Vendor Master Change Form	Attachment B - Also see COSA WebForms
Prompt Payment Act Examples	Attachment C
Payment Type & Frequency Schedule	Attachment D
Manual Request for Payment (RFP)	Attachment E
Non-PO Document guidelines	Attachment F
Non-PO approval table changes	Attachment G
Void Check Form	Attachment H
Referenced Forms	
ACH Agreement Form	Contact Accounts Payable

This directive supersedes all previous correspondence on this subject. Information and/or clarification may be obtained by contacting the Finance Department at 207-5734.

City of San Antonio

Attachment A

Vendor Master Creation Request Form

All fields are required unless marked optional. Omitted required information results in returning the form.

Please submit using ONLY one of the following: fax: (210) 207-9778 or

e-mail SAP VENDOR MAINTENANCE – VENDORS@SANANTONIO.GOV

If you have questions on the form call (210) 207-0118

Vendor Contact Information: W9 IRS Form or Substitute form is required and attached.

Vendor Name: As shown on your income tax return	
Doing Business As: if different than above	

The TIN must match the Vendor Name on file with the IRS to avoid backup withholding. For individuals this may be your social security number. DO NOT enter both an Employer Id Number and a Social Security Number, it should be the one used on your income tax return. This is not your Sales Tax Number

Tax Id Number <input type="checkbox"/> Social Security Number or <input type="checkbox"/> EIN Employer ID Number	Check box and enter # below	Tax Code (press F1 for choices) or see page 3	Type of Recipient (press F1 for choices) or see page 3
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Address:

City: State: Zip: -

Phone #: Fax #: Mobile #:
(include Area Code and Extension if there is one)

E-mail: Web:

Remit Address (if payment should go to a different address):

City: State: Zip: -

Remit Phone #: Remit Fax #:

Remit E-mail:

SBEDA classification (minimum 51% ownership to select)

Gender: ☐ Male ☐ Female Business Size: ☐ Large ☐ Small Handicapped: ☐ No ☐ Yes Govt/Non-Profit ☐

Ethnicity: if Other, Please specify Non Minority, Hispanic, African American, Native American, Other

* NIGP Commodity code(s): 5 digit only

Optional: Sales Person:

Phone:

Notice: Failure to respond to an invitation for bids may result in your removal from the bidder's list unless you specifically ask to be retained. A response may be in the form of a bid or acknowledgement of receipt with a request to be retained on the mailing list. We reserve the right to remove the applicant from the mailing list for non-payment of taxes, default of a contract, application for bankruptcy, or conviction of fraud or other felony offense. The City routinely publishes public notices concerning proposed purchases in any or all of the following daily newspapers: Commercial Recorder, San Antonio Express-News

Certification I certify that information supplied herein (including all pages attached) is correct and that neither the applicant nor any person (or concern) in any connection with the application as a principal or officer, so far as is known, is now declared ineligible from bidding for materials, supplies, or services.

Name and Title of Person Authorized to Sign for Vendor (Type or Print)

Signature

Date

COSA staff only to complete below

Account Group

COSA Customer Number (if applicable)

Requestor Name/City Employee	Department Name	Phone Number
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Payment terms

Any requests other than NET 30 will be approved on a case-by-case basis

Vendor Payment ☐ Mail or ☐ Pick-up

Statement: "Effective January 1, 2006, Chapter 176 of the Texas Local Government Code requires that persons, or their agents, who seek to contract for the sale or purchase of property, goods, or services with the City, shall file a completed conflict of interest questionnaire with the City Clerk not later than the 7th business day after the date that the person: (1) begins contract discussions or negotiations with the City; or (2) submits to the City an application, response to a request for proposals or bids, correspondence, or another writing related to a potential agreement with the City. The conflict of interest questionnaire form is available from the Texas Ethics Commission at www.ethics.state.tx.us <http://www.ethics.state.tx.us>. Completed conflict of interest questionnaires may be mailed or delivered by hand to the Office of the City Clerk. If mailing a completed conflict of interest questionnaire, mail to: Office of the City Clerk, P.O. Box 839966, San Antonio, TX 78283-3966. If delivering a completed conflict of interest questionnaire, deliver to: Office of the City Clerk, City Hall, 2nd floor, 100 Military Plaza, San Antonio, TX 78205."



City of San Antonio
Request for Taxpayer
Identification Number and Certification
(W-9 Substitute Form)

Please complete the following information. We are required by Section 6109 of the Internal Revenue Code to obtain this information when making reportable payments to you. You may be subject to a 28% withholding of future payments if this information is not provided. Additionally, if you fail to provide this information, you may be assessed a \$50.00 penalty imposed by the Internal Revenue Service under Section 6723 of the Internal Revenue Code.

c-mail VENDORS@SANANTONIO.GOV

Fax: 210/207-9778

Name (as shown on your income tax return)

Doing Business As: (if different from above)

Select your tax status as reported to the Internal Revenue Service (IRS).

☐ Individual/Sole Proprietorship ☐ Corporation ☐ Partnership ☐ Tax Exempt

Address (number, street, and apt or suite #)

City, State and Zip code

Phone

Tax Identification as filed with the IRS. The TIN must match the name given on line 1 to avoid backup withholding. For individuals, this may be your social security number. For other entities, it is your Employer Identification Number (EIN) a 9 digit number. This is **not** your Sales Tax Number

Tax Id Number Check box and enter # below ☐ Social Security Number or ☐ EIN Employer ID Number

EXEMPTIONS: If exempt from 1099 reporting, please check your qualifying exemption below, however we are required to have this form on file.

<input type="checkbox"/>	1. Exempt from tax under section 501(a) of IRC (including religious, charitable, & educational foundation)
<input type="checkbox"/>	2. The United States or any of its agencies or instrumentalities (including any political subdivisions)
<input type="checkbox"/>	3. A real estate investment trust
<input type="checkbox"/>	4. A common trust fund operated by a bank under Section 584 (a)
<input type="checkbox"/>	5. A financial institution

CERTIFICATION: Under penalties of perjury, I certify that:

1. The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me), and
2. I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding, and
3. I am a US person (including a US resident alien)

SIGNATURE _____ DATE _____

PRINTED NAME _____ TITLE _____

Do Not Return with forms - this page is an information only page.

Vendor Names and DBA Doing Business As has to match on both forms.

Small Business Enterprise: A corporation, partnership, sole proprietorship or other legal entity for the purpose of making a profit which is independently owned and operated and which meets the U.S. Small Business Administration (SBA) size standard for a small business. All firms meeting these thresholds will be considered a SBE.

Female Owned Business Enterprise: A sole proprietorship, partnership, or corporation, owned, operated and controlled by women who have 51% ownership. The women must have operational and managerial control, interest in capital, and earnings commensurate with the percentage of woman ownership. To qualify as a Woman Business Enterprise, the enterprise shall be headquartered in Bexar County for any length of time, or shall be doing business in a locality or localities from which the City regularly solicits, or receives bids on or proposals for, City contracts within the Woman Business Enterprise's category of contracting for at least one year.

Minority Business Enterprise (MBE): A sole proprietorship, partnership, or corporation, owned, operated, and controlled by a minority group member(s) who have at least 51% ownership. The minority group member(s) must have operational and managerial control, interest in capital, and earnings commensurate with the percentage of ownership. To qualify as a Minority Business Enterprise, the enterprise shall be headquartered in Bexar County for any length of time, or shall be doing business in a locality or localities from which the City regularly solicits, or receives bids on or proposals for, City contracts within the Minority Business Enterprise's category of contracting for at least one year.

Handicapped Owned Business Enterprise: Means a sole proprietorship that is owned and controlled by a handicapped individual; a partnership at least 51% of whose assets or partnership interests are owned by one or more handicapped individuals; or a corporation at least 51% of whose assets or interests in the corporate shares are owned by one or more handicapped individuals. A handicapped individual is a person with a physical or mental condition which substantially limits one or more major life activity.

Share in payments: Partners, proprietors or stockholders of the enterprise, as the case may be, shall be entitled to receive 51% or more of the total profits, bonuses, dividends, interest payments, commissions, and any other monetary distribution paid by the business enterprise.

- **NIGP Commodity Codes – for a list of codes visit this web site.**
http://www2.cpa.state.tx.us/com_book/index.html

List of tax codes:

01	Rents	Office space, machine rentals (example bulldozer), and pasture rentals. Rental assistance payments made to owners of housing projects
06	Medical & Health Care Payments	Payments made to physicians or other supplier or provider of medical or health care services. This often includes charges for injections, drugs, dentures and similar items but not pharmacies for prescription drugs
07	Non Employee Compensation	Includes fees, commissions, prizes and awards for services performed as a nonemployee. Some examples: Professional service fees, such as fees to attorneys (including corporations) accountants, architects, contractors, engineers, etc. Payment for services, including payment for parts or materials used to perform the services is supply th parts or materials was incidental to providing the service. A fee paid to a nonemployee, including an independent contractor or travel reimbursement. Payments to nonemployee entertainers for services.

List of Type of Recipient:

01	Individual
02	Corporation
03	Partnership
06	Government or International Orgn
07	Tax exempt organization

Available Account Groups:

TRAD for Accounts Payable vendors
ORDE for Ordering address vendors

EMPL for Employees created as vendors
REMT for TRAD vendors with different address to send payments (Permitted payee)

City of San Antonio

Vendor Master Change Request Form

e-mail SAP VENDOR MAINTENANCE – VENDORS@SANANTONIO.GOV or fax: 210/207-9778

Changes will not be made without COSA Requestor information, name of Vendor employee and hard copy of the request from the vendor.

Requestor Name/City Employee:	Department Name:	Phone Number:
Vendor Employee Name:	Phone Number:	

Required

Vendor #	
Vendor Name	

☐ Block this vendor – Reason is entered below –
All Requests to block vendors must be approved by Finance

Revise From:

Revise To:

Name:		
Doing Business As:		
Tax Id		
SSN		
Address		
City, State & zip		
Phone		
Fax		
Email		
Web site		
Remit Address		
Remit City, State & Zip		
Remit Phone		
Remit Fax		
Remit Email		
Tax Code		
Type of Recipient		
Payment Terms		

Additional Changes not listed above:

Attachment C

PROMPT PAYMENT ACT (PPA), CH. 2251 GOVERNMENT CODE

TRANSACTIONS SUBJECT TO PROMPT PAYMENT PROVISIONS

TYPE OF SERVICE OR GOODS		EXAMPLES	SUBJECT TO PROMPT PAYMENT ACT
Contracted goods and services – bid award through formal Purchasing process		Construction projects; copiers – both rental and per copy charges; pest control; auto parts and services; towing; uniform rental/sales; vehicles; equipment	YES
Contracted professional services (selected by departments) - may or may not have an SAP contract depending on annual amount; one time event		External Financial Audit firms; training; IT project development; consulting services; some architectural fees; marketing firms; advertising Veterinarians; technicians; health workers; special program speakers or coordinators; Outside legal firms conducting business on behalf of the City	YES
Non-contract goods the city buys and consumes		T-shirts; catering food; subscriptions; banners; small office supplies; stamps; travel paid to a travel agency; hotel registrations; catering services; small appliance repair; flowers; entertainment	YES
Temporary Labor Agencies		Office or temporary labor (paid to agency)	YES
Rent/Lease of property		Rent or lease payments for city facilities to the owner or management company	NO – per contract (lease, license, etc.) – City receives no goods or services as contemplated by PPA.
Payments to federal State or local governments		Payments to Bexar County or State of Texas for fees, registration, EMS; and/or transfers of monies to Bexar County, State of Texas or U.S. Government, and/or funds we collect and then transfer to other government agencies	NO -- (1) City receives no goods or services as contemplated by PPA; (2) A state agency is not a 'vendor' under PPA
Delegate Agency Payments		Grant funds that we monitor and reimburse agencies – CCDS, YMCA programs, Avance, Salvation Army, HeadStart, etc.	NO – funds advanced by City for special purpose – City doesn't receive any goods or services as contemplated by PPA.
Other misc. payments		Direct assistance payment to recipient, or to provider paid on behalf of the qualified applicant (rent assistance, utility assistance), Special funds payments (Council)	NO – funds advanced by City for special purpose – City doesn't receive any goods or services as contemplated by PPA.
Economic Development Payments		TIRZ; funds for training programs; accomplish of items set by contract/ordinance	NO – funds advanced by City for special purpose – City doesn't receive any goods or services as contemplated by PPA.
Legal Fees		Owed to law firm for settlement of a suit; or amount paid to an individual for settlement of a suit or judgment judgment	NO – City doesn't receive any goods or services as contemplated by PPA.

Payment Schedule

Finance Department, Accounts Payable Section

The following schedule for payments is designed as guidelines for department submission of documentation and timing. Please review the Accounts Payable AD 8.3 for additional details requiring approvals and documentation submission. Please remember:

- All payment days listed are subject to adjustments to accommodate City and/or Bank holidays.
- All payments are subject to payment terms designated for the vendor and/or contract.
- Vendors & customers must meet established criteria for eligibility for ACH or Wire payments; please see AD 8.3 for details

Payment Type	Frequency/ AP Processing days	Requirements	Payment Day
Checks – Vendor trade	Monday Wednesday Friday	PO entries: Allow 4-7 days for AP processing Non-PO entries: Entered and approved by 12 Noon for MWF run; items approved after 12Noon, will be included in the next available check run Note: Payment terms still apply.	Monday, Wednesday, Friday <i>plus</i> 2 days for audit / review/ signatures before released.
Checks – Employee travel	Thursday	Entered and approved in SAP by 5pm Tuesday	Distributed on Fridays per AD 2.3.
Checks – Customer / refunds	Thursday	Entered and posted (by AR) no later than EOD Wednesday	Distributed / mailed on Fridays
Checks – Payroll TPA's	Wednesday	Requests, documentation required by Wednesday, 10:00AM	Friday
Checks – Council	Monthly – 1 st Monday	Non-PO's entered and approved in SAP by Noon Monday	Distributed on Wednesday
ACH – Vendor trade*	Tuesday	Capital: Pay estimates due Monday 3pm All other vendors: As received and payable	Friday deposit
* Must meet certain criteria to be eligible	Thursday	Capital: Pay estimates due Wednesday 3pm All other vendors: As received and payable	Tuesday deposit
ACH – Employee travel	Wednesday	Entered and approved in SAP by 5pm Tuesday	Deposit on Friday per AD 2.3

Attachment D

Payment Type	Frequency/AP Processing days	Requirements	Payment Day
ACH – Payroll TPA's	Wednesday	Requests; documentation required by 8AM Wed	Friday
ACH – Customer / refunds	Upon request	Pre-approval from AP Manager Document entry & approval in SAP; documentation sent to AP	Allow 3 working days from approval & receipt of documentation
ACH – Other	Upon request	Pre-approval from AP Manager Document entry & approval in SAP; documentation sent to AP	Allow 3 working days from approval & receipt of documentation
ACH – Council	Monthly – 1 st Monday	Non-PO's entered and approved by Noon Monday	Deposit on Wednesday
ACH – Worker Comp	Weekly - Monday	Documentation received by Noon Friday	Wednesday deposit
ACH debit – incoming (HR)	Monthly – 3rd business day	Documentation balanced & summary request sent to AP by 8am on 4 th working day of month	5 th business day of month
Wire - Benefits TPA - Medical	Daily	Document entered in SAP and approved by 10am	Daily
Wire – Benefits TPA – dental & vision	Weekly - Monday	Document entered in SAP and approved by 10am	Monday
Wire – Vendor Trade	Upon request	Pre-approval from AP Manager before commitment to vendor required. All document entry & approval in SAP and original docs sent to AP Note: Property closing requires confirmation of date & time of closing to allow for coordination of timing of transfer with Cash Management & bank.	Allow minimum of 2 working day from approval & receipt of documentation
Wire - Customer / refunds / all other 1 time requests	Upon request	Pre-approval from AP Manager required before commitment to customer. Document entry & approval in SAP; documentation sent to AP	Allow minimum of 2 working days from approval & receipt of documentation

CITY OF SAN ANTONIO
REQUEST FOR PAYMENT

--

SAP Vendor #	
Name	
Address	
City, State, Zip	

[illegible]

DESCRIPTION	Bus Area #	G/L #	Fund	Cost Object	AMOUNT
Include:					\$0.00
Short description of what to be paid					
Invoice #, date, etc.					
Remit address information					
Any reference text to be included on the check or special requests.					
Other information:					
Use a separate RFP for each invoice.					
Attach original invoices to this request.					
Attach ordinance or other agreements as appropriate and as required.					
TOTAL					\$0.00

1. Do not use for purchase requiring a purchase order.
2. Attach ORIGINAL supporting documents only. Provide an extra copy when document is to accompany payment.
3. Request must be authorized by Department Head or Designee

I hereby certify that the goods or services for which payment is requested hereon have been received or will be received; that payment therefore is hereby authorized; and that funds are available therefore.

Approval:

DEPARTMENT HEAD (print name & signature)

Examples:

- * Department pickup : Call (name & phone #) when ready
- * Mail to Vendor
- * Hold for vendor pick up: Call (name & phone #) when ready

CITY OF SAN ANTONIO

FINANCE DEPARTMENT

Interdepartmental Correspondence Sheet

TO: Executive Team

FROM: Troy Elliott, CPA, Finance Director

COPIES: Ben Gorzell Jr., Chief Financial Officer;
Melanie Seale, Assistant Finance Director;
Norbert Dziuk, Assistant to the Director;
Veronica Carrillo, Fiscal Administrator;
Department Fiscal Administrators;
Procurement Specialists

SUBJECT: Non-PO and P-Card Process Changes

DATE: July 25, 2013

The Finance Department has implemented numerous Purchasing process improvements this fiscal year and continues our efforts to provide a successful end-to-end solution for streamlining steps, balancing workload and improving customer service. To that end, the following additional areas for efficiencies have been identified:

Non-PO Changes

Administrative Directive (AD) 8.3 provides guidelines to ensure consistent and accurate payment to City suppliers and vendors. The AD includes provisions for the payment of expenditures which do not require Purchase Orders (PO), such as the usage of a Non-PO or P-Card. Non-PO processing allows departments to purchase non-biddable items without having to create shopping carts through the City's SAePS system or go through Finance's Purchasing Division to procure an item. The ability to bypass both the shopping cart and Purchasing Division enables the department to procure and pay for the item in a more expedited manner. Eligible Non-PO expenditures are listed by type in AD 8.3, Attachment F (List of Items Approved for Payment by Non-PO/P-Card). In accordance with the provisions of the AD, the Finance Department has reviewed and updated Attachment F, expanding the options available to departments to utilize the Non-PO or P-Card method of payment thereby allowing for additional efficiencies in procurement. The revised list is attached and *will be* posted within the AD at:

http://www.sanantonio.gov/hr/admin_directives/index.asp

The updated Non-PO Authorization list replaces all prior versions of Attachment F. The Non-PO document processing and documentation requirements included on Pages 10 and 11 of the AD remain unchanged, except for the additional requirement that supporting documentation now be scanned and attached in SAP to the respective SAP document entry for each Non-PO item.

If your department has an item not on Attachment F that you feel meets the definition of "non-biddable," you may contact Paul Calapa, Purchasing Administrator, at 207-2074 for processing determination prior

to entering the item in SAePS or SAP. Items not listed on Attachment F or approved for Non-PO processing by Purchasing will be required to follow provisions of AD 1.6, Purchasing.

Departments are also authorized to utilize P-Cards for Non-PO eligible items as an alternative payment option. All P-Card policies and limits as indicated in the P-Card Manual are still required to be followed.

As part of the expansion and roll out of Non-PO authorized transactions, a review and update of the Non-PO approvers is warranted. The listing of the current approvers will be sent to the Department Fiscal Administrators (DFA) for changes, where necessary, in accordance with AD 8.3.

Questions related to the approval listing may be addressed to Kay Grant, Accounts Payable Manager, at 207-6307.

Purchasing Card (P-Card) Changes

The P-Card process historically had one individual responsible for the issuing of cards, training of processes and procedures, reviewing of department receipts and approvals, reconciliation of receipts to bank statements and payment to vendor. Finance reassessed the P-Card process to address its corrective action plan to an Internal Audit finding ensuring appropriate segregation of duties and to align the DFAs' accountability for their departments' fiscal budgets to include P-Card purchases. Attached to this memo is a flow chart of the new process requirements for requesting, utilizing, approving, reviewing, posting and paying for P-Card transactions. Key changes made include:

- DFAs or fiscal designee as the Site Administrators for each department;
- Site Administrator reconciling their respective department envelopes with receipts to the Works' System and subsequent card bank statements to ensure completeness, accuracy and allow ability of purchase/cost; and
- Controller's Office performing a two-way match between the Works System and Vendor Bank Statement for completeness and accuracy.

Questions related to P-Card operations may be addressed to Amy Cowley, Finance DFA, at 207-5035.

Your cooperation and support is greatly appreciated. Please do not hesitate to contact me at 207-8604 should you have any questions.

Attachments:

AD 8.3 Attachment F: List of Items Approved for Payment by Non-PO/P-Card
P-Card Process Flow Chart

LIST OF ITEMS APPROVED FOR PAYMENT BY NON-PO/ P-CARD

AD 8.3
ATTACHMENT F

Type of Expense	GL ACCOUNT	NIGP 963 -	Dollar Value limits / exclusions	Comments/ Examples
Advertising in Publications	5203040			Newspaper, telephone, directories, industry newsletters, (electronic or print) in specific or required publications. EXCEPTION: LEGAL NOTICES as required to be bid in accordance with Texas Local Government Code Chapter 252 (or other Codes) are processed thru SRM
Associations, Dues, Memberships	5203050	20		Professional associations
Board Members - Attendance/Travel	Payroll 5201010 Travel 5207010			May be covered in other categories depending on specifics.
Bonds, Notary		24		
Ceremonial/Official Gifts	5304090		Max \$1000	Specific, unique, and/or culturally appropriate gifts are not biddable.
Certifications, Inspections, Permits for Systems or Equipment if issued by State or Public Entity	5201040			Elevator / escalator inspection certificates
Child Care Delivery System Payments	Fees to Prof contr 5201040 Contractual Svcs 5202020			CCDS, Seamless programs. Parent chooses facility; COSA pays per grant.
Commodity for resale	5304085			Visitor Information Center (VIC) Merchandise for resale
Contractual Services	5202020			Misc repairs & remodel; OOS rebate programs
DHS Program payments Assorted/ Direct Welfare Payments	DW Other 5407032 DW Ed Assistance 5407035 DW Employ Assist 5407034 DW Rental Assist 5407037 DW RX 5407036 DW Tools 5407029 DW Utility 5407033 DW Water 5407022			Direct Welfare - Payment made directly to resident or on resident's behalf. Examples: Rx, Utility, Rent Assistance, Ambassador program, Haven for Hope.
Fees, Conference/Convention/Symposium/ Tournament	5207510	37, 41		Convention booth fees
Gift Cards				Multiple categories depending on specifics. Program details required as attachment
Honorariums				Speakers at City sponsored events; e.g. MLK
Hotel	5207010			Includes pre-payment for employee related travel
Individual Deposit Account Programs		88		Multiple categories depending on specifics.
Legal Expenses	5201050			Bexar County Assessor; recording fees; certified copy fee; legal services
Meals	Food 5304010 Other contract Svcs 5202025	47	Max \$3,000 per event	Catering, meeting expense, coffee service
Office supplies	5302010		Max \$500	Small item purchase for items not available through contracted supplier; example: rubber stamps
Parking, Monthly or Annual	5202025			Monthly parking permits; annual permits
Postage and Shipping Related Purchases	5205010	57	Max \$250	USPS Mail postage; overnight & express delivery fee, couriers; general shipping except when included as part of cost of a biddable item processed in SRM.

Updated 7/25/2013

LIST OF ITEMS APPROVED FOR PAYMENT BY NON-PO/ P-CARD

AD 8.3
ATTACHMENT F

Type of Expense	GL ACCOUNT	NIGP 963 -	Dollar Value limits / exclusions	Comments/ Examples
Pre-employment interview expenses				Air, hotel, mileage, meals for interviews; pre-employment
Professional Licenses	Education - Classes 5201025 Membership Dues & Licenses 5203050	45		Includes Certification fees, Accreditation fees
Real Property, Lease/Rental	Land Acq/Clsq costs 5209010			Non-contract; Ordinance & settlement closing statements required as attachment
Registration Fees	Education - Classes 5201025	64		Participant registration fees
Scholarships				Originating from private donations made for this purpose.
Special Events, Alamodome, Aviation, CVB,	Fees to Pro 5201040 Contract Svc 5202020 Other Contract Svc 5202025			Preapproved vendors required to support special events (booth decoration, electrical, first aid, printing) Other peace officers paid hourly for security, Fiesta Parades, RNR marathon. Excludes contracts with private security firms.
Special Events, other labor	5101020			
Sponsorships (All Types)	5202025	77		
Surcharges and Taxes		79		Federal Excise Tax
Toll and Bridge Fees		85		
Travel				
Venue Fees - Location specific	5207010			Pre-pay for employees; board members, council Events are required to be held in specific locations which may charge venue fees. Fees associated with location are not biddable.
			License Agreements	

GUIDELINES FOR NON-PO USE:

Some items / categories may be biddable if spending is over \$3,000. The department must ensure compliance to all Purchasing policies.

All non-PO payments must have backup documentation attached to the non-PO document in SAP

Any sole source procurement over \$3000 must have prior approval from Purchasing Administrator and would not qualify as a Non-PO.

Attachment G

NON-PO APPROVAL TABLES

To request a change to the non-PO workflow approval tables:

- The person being assigned must have the correct Approver role in their SAP profile. If not, request that first via the SAP request form.
- Prepare a memo from your Director to the Finance Department and include the below information. You can cut and paste, or use your own format, as long as it contains the same information.
- Only one approver can be assigned as Approver 0 and only one Approver can be assigned as Approver 1 for each cost center. Approver 0 and Approver 1 can be the same log-in.
- Have Director sign and forward memo to Finance. To expedite, scan the signed memo and send via e-mail to the Accounts Payable Manager.
- This process is for permanent changes to the workflow tables. It should not be used for temporary changes or coverage needed during leave. For temporary re-assignment of approval, the approver should designate a substitute (prior to start of leave) from within the SAP system.

For any additional questions or assistance, call 207-6307

Attachment G

To: Troy Elliott, CPA, Finance Department

From: XXXXXXXXXX Director of XXXXXXXXXX

Copy: Kay Grant, Accounts Payable Manager
Juanita Carabajal, Disbursement & Receivable Administrator

Date: XXXXXXXXXX

Subject: Non-PO Approver tables update request

Please change the workflow tables for Non-PO's to reflect the below approver assignments for the XXXXXXXXXX (Department name).

Cost Center (1 st 6 digits)	Approver 0 (Under \$25,000) Log-in	Approver 1 (Over \$25,000) Log-in
XXXXXX	XXXXXXXX	XXXXXXXX
List each cost center separately	SAP Login	SAP Login

Name & Title

Date

CITY OF SAN ANTONIO
FINANCE DEPARTMENT

STOP PAYMENT / VOID CHECK REQUEST

DATE OF REQUEST: _____

PLEASE VOID THE FOLLOWING CHECK:

CHECK # _____ AMOUNT _____
 DATE _____ VENDOR# _____

COPY OF CHECK STUB ATTACHED _____ YES _____ NO
 ORIGINAL CHECK ATTACHED _____ YES _____ NO

REASON FOR ACTION:

_____ MISPLACED/ LOST
 _____ STALE DATE
 _____ INCORRECT VENDOR
 _____ TRAVEL CANCELLED
 _____ DUPLICATE PAYMENT
 _____ PER VENDOR REQUEST (Complete below or attach correspondence)
 SPOKE TO: _____ CONTACT #: _____
 POSITION: _____ DATE: _____
 _____ OTHER: REASON

ACTION NEEDED: _____ REISSUE _____ DO NOT REISSUE

SUBMITTED BY: _____ SIGNATURE: _____

DEPT: _____ PHONE / CONTACT INFO: _____

ACCOUNTS PAYABLE USE:

STOP PAYMENT SUBMITTED: (DATE/WHOM) _____

STOP PAYMENT CONFIRMATION ATTACHED YES _____ NO _____ **ISSUED BY** _____

REPLACEMENT CHECK NUMBER _____ **DATE OF ISSUE:** _____

ACCOUNTS PAYABLE VERIFICATION BY: _____



CITY OF SAN ANTONIO

EMPLOYEE ACKNOWLEDGMENT FORM FOR

ADMINISTRATIVE DIRECTIVE 8.3 Accounts Payable

Employee:

I acknowledge that on _____, 20____, I received a copy of Administrative Directive 8.3 Accounts Payable. I understand if I should have any questions I should contact my Human Resources Generalist.

Employee Name (Print)

Department

Employee Signature

SAP ID #